

10/064783

System And Method For Managing Concentration Of Corporate Debt

Abstract of Disclosure

A method and system for managing concentration of debt, wherein a condition is associated with debt instruments, and the condition changes at least one parameter of the debt instrument in the event that an entity, such as an investor or group of investors acting in a concerted manner, accumulates a quantity of debt instruments in excess of a threshold level. The threshold level is typically a percentage of outstanding debt instruments. The parameter that is changed may be the maturity, the priority, the rate, or any other similar parameter associated with the value of the debt instrument. The effect of the change in the parameter is to reduce the value of the debt instrument. The change in the parameter may be permanent, or it may be temporary. The condition may be attached or associated with the debt instrument before issue, or it may be attached or associated after the debt instrument has issued. Holders of debt instruments in excess of the threshold may be grandfathered, if the condition is attached to the debt instrument after issue.

Figures

681